

RH:K

25 October 1954

OGC Has Reviewed

MEMORANDUM FOR: International Organizations Division

SUBJECT : Exempt Organizations Cautioned Against Political Activity

1. While it would appear that the following would be rarely applicable, it is provided for reference (excerpt from CCH Tax Reports):

"Commissioner of Internal Revenue T. Coleman Andrews has called attention to a new provision in 1954 Code Sec. 501(c)(3), otherwise generally similar to 1939 Code Sec. 101(6), which prohibits exempt religious, charitable, scientific, literary and educational organizations from participating or intervening (including the publishing or distributing of statements) in 'any political campaign on behalf of any candidate for public office.'"

"This provision applies not only to organizations establishing exemption under the 1954 Code, but also to those which have already been granted exemption under the old Code. Violations of the provision results in the loss of the tax-exempt status."

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Assistant General Counsel

OGC/CWP:blr

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